

Amendment No. 1 to HB1792

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Signature of Sponsor

**FILED**

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Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 1494\***

**House Bill No. 1792**

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 7-84-105(a), is amended by designating the existing language as subdivision (1) and by adding the following language to be designated as subdivision (2):

(2) In any municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101, parts 1-4 of this chapter are intended to afford an alternative method for the making or acquisition of improvements by a municipality, the creation of special improvement districts for central business districts of the various municipalities, the levy of assessments and the issuance of bonds by municipalities, and shall not be so construed as to deprive any municipality of the right to make or acquire improvements, create special improvement districts, levy the assessments or other special taxes or issue bonds under authority of any other law of this state now in effect or hereafter enacted, including part 5 of this chapter.

Nevertheless, parts 1-4 of this chapter shall constitute full authority for the making or acquisition of improvements, creation of central business improvement districts, levy of assessments and issuance of bonds under title 9, chapter 21, to the extent applicable, by such municipalities as act under parts 1-4 of this chapter.

SECTION 2. Tennessee Code Annotated, Section 7-84-202(1)(D)(iii), is amended by adding the following language at the end of the subdivision:

and in any municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101 a general description of the improvements to be constructed, installed or acquired within and for the district;

SECTION 3. Tennessee Code Annotated, Section 7-84-203, is amended by inserting

the following language after the first sentence of such section:

In any municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101, any central business improvement district created by a municipality may embrace a contiguous property area or two (2) or more separate property areas and may include one or more business districts (which business districts may either be historic business districts and/or business districts in which additional development and growth is expected to occur) and corridors connecting business districts. Two (2) or more central business improvement districts may overlap and may encompass some or all of the same properties.

SECTION 4. Tennessee Code Annotated, Section 7-84-206, is amended by designating the existing language of subsection (b) as subsection (b)(1) and adding the following language to be designated as (b)(2):

(2)

(A) In any municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101, any person who fails to file a protest, who fails to appear at the public hearing to protest, or, having filed, withdraws such protest, shall be deemed to have waived any objection to the creation of the district, the making or acquisition of the improvements, and the inclusion of such person's property in the district. Such waiver, however, shall not preclude such person's right to object to the amount of the assessment at the hearing for which provision is made in § 7-84-409.

(B) The governing body of such municipality may amend from time to time the ordinance organizing a central business improvement district to include additional improvements, provided such amendment shall not become effective until after a public hearing relating to such amendment is held in the manner required by § 7-84-204, and any such amendment shall be subject to protest as provided in § 7-84-207.

SECTION 5. Tennessee Code Annotated, Section 7-84-208(5), is amended by adding

the following language at the end of such subsection:

If a municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101 does not expect at the time of adoption of the ordinance that special assessments will be levied against any of the properties in the district, the ordinance may provide that no special assessments will be imposed at that time. If such municipality subsequently determines that special assessments in the district are required, the municipality may amend the ordinance to permit special assessments, provided such amendment shall not become effective until after a public hearing relating to such amendment is held in the manner required by § 7-84-204, and any such amendment shall be subject to protest as provided in § 7-84-207.

SECTION 6. Tennessee Code Annotated, Section 7-84-208(8) is amended by adding the following language at the end of such subsection:

Notwithstanding the foregoing, if a municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101 does not expect at the time of adoption of the ordinance that special assessments will be levied against any of the properties in the district, the creation of a board of assessment commissioners shall not be required until such time, if any, as the ordinance is amended to permit special assessments to be levied.

SECTION 7. Tennessee Code Annotated, Section 7-84-302, is amended by inserting "(a)" before the existing provision, thereby creating a subsection (a), and adding a new subsection (b) as follows:

(b) If a municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101 acquires improvements from a third party, including a private entity, subsection (a) hereof shall not apply.

SECTION 8. Tennessee Code Annotated, Section 7-84-305, is amended by inserting "(a)" before the existing provision, thereby creating a subsection (a), and adding a new subsection (b) as follows:

(b)

(1) A municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101 may issue revenue bonds in the manner provided in title 9, chapter 21, including part 3 thereof, to finance all costs and expenses incurred in connection with the acquisition or construction of improvements contemplated by this chapter and costs related to the issuance of the bonds, and in such case all assessments received pursuant to title 7, chapter 84 by such municipality shall be deemed revenues for purposes of title 9, chapter 21. In such a case, such revenue bonds may be, but are not required to be, additionally secured by the full faith and credit of the municipality as described above.

(2) Any such municipality is also authorized to delegate to any industrial development corporation incorporated by the municipality or any other municipality in which the central business improvement district is located the authority to issue such revenue bonds in which case the municipality shall enter into an agreement with the industrial development corporation pursuant to which the municipality shall agree to promptly pay to the industrial development corporation the assessments (including any interest thereon) as collected and such assessments shall be held in trust by the municipality for the benefit of the industrial development corporation when received. The municipality may direct any property owner that is required to pay assessments to make such payments directly to an industrial development corporation or its assignee. If an industrial development corporation issues such bonds, assessments imposed pursuant to title 7, chapter 84, and any interest collected on such assessments shall constitute "revenues" as the term is defined in § 7-53-101 and improvements and related expenses described in this chapter, whether acquired by the industrial development corporation on behalf of the municipality or by the municipality itself, shall constitute a "project" as defined in § 7-53-101. Any municipality is authorized to delegate to an industrial development corporation the authority to acquire an improvement described in the ordinance organizing the central business improvement district or any amendment thereto on behalf of the municipality. All bonds issued by industrial development

corporations pursuant to this section shall be issued in accordance with chapter 53 of this title.

(3) Any such municipality is also authorized to delegate to any public building authority the authority to issue such revenue bonds in which case the municipality shall enter into an agreement with the public building authority pursuant to which the municipality shall agree to promptly pay to the public building authority the assessments (including any interest thereon) as collected and such assessments shall be held in trust by the municipality for the benefit of the public building authority when received. The municipality may direct any property owner that is required to pay assessments to make such payments directly to a public building authority or its assignee. If a public building authority issues such bonds, assessments imposed pursuant to title 7, chapter 84, and any interest collected on such assessments shall constitute "revenues" as the term is defined in § 12-10-103 and improvements and related expenses described in this chapter, whether acquired by the industrial development corporation on behalf of the municipality or by the municipality itself, shall constitute a "project" as defined in § 12-10-103. Any municipality is authorized to delegate to a public building authority the authority to acquire an improvement described in the ordinance organizing the central business improvement district or any amendment thereto on behalf of the municipality. All bonds issued by public building authorities pursuant to this section shall be issued in accordance with title 12, chapter 10.

SECTION 9. Tennessee Code Annotated, Section 7-84-402, is amended by designating the existing language as subsection (a) and by adding the following language to be designated as subsection (b):

(b) Prior to the acquisition of an improvement or commencement of the construction of an improvement described in the ordinance organizing the central business improvement district or upon completion of the improvements, at the discretion of the board of assessment commissioners, the board of assessment commissioners of a municipality containing a tourism development zone and located in a tourist resort

county as defined in § 42-8-101 shall apportion the totality of all costs of such improvement district upon the various properties located within the district in accordance with the benefits to each property upon the completion of the work by such improvements conferred. If the board of assessment commissioners determines that certain improvements benefit only certain properties within a district, such board may apportion the costs of such improvements upon the various properties that benefit from the improvements.

SECTION 10. Tennessee Code Annotated, Section 7-84-403, is amended by inserting "(a) Except as provided in subsection (b) hereof," before the existing provision, thereby creating a subsection (a), and adding a new subsection (b) as follows:

(b) In any tourist resort county, as defined in § 42-8-101, the aggregate amount of the levy or assessment made against a lot or parcel of land shall not exceed the cost of the improvements that are apportioned pursuant to § 7-84-404 to such lot or parcel.

SECTION 11. Tennessee Code Annotated, Section 7-84-413(a), is amended by designating the existing language as subsection (a)(1) and by adding the following language to be designated as subsection (a)(2):

(2) In a municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101, the assessment on each property shall be levied at one (1) time in the ordinance provided for in § 7-84-412. The governing body may provide in such ordinance levying the assessment that all or such portion of the assessment as is designated in the ordinance may be paid in equal installments over a period of time, not exceeding thirty (30) years from the effective date of the ordinance levying the installment.

SECTION 12. Tennessee Code Annotated, Section 7-84-420, is amended by inserting the following language after the first sentence thereof:

Assessments in a municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101, shall be made by the board of assessment commissioners prior to the acquisition of an improvement or

commencement of the construction of an improvement described in the ordinance organizing the central business improvement district or upon the completion of such improvements, at the discretion of the board of assessment commissioners.

SECTION 13. This act shall take effect upon becoming law, the public welfare requiring it and shall apply to central business improvement districts already in existence and any districts that hereinafter may be created which are located in a municipality containing a tourism development zone and located in a tourist resort county as defined in § 42-8-101.